



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.lacounty.gov>

DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

April 3, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST FOR TERM AMENDMENT TO FOUR (4) CABLE TELEVISION  
FRANCHISES IN THE FOLLOWING UNINCORPORATED AREAS OF THE COUNTY  
OF LOS ANGELES: ROWLAND HEIGHTS, SOUTH AREAS (BALDWIN HILLS, EAST  
COMPTON, HARBOR, LADERA HEIGHTS, LAKEWOOD, LENNOX AND SOUTH  
CENTRAL LOS ANGELES), PALOS VERDES, AND LAKE HUGHES  
(1<sup>st</sup>, 2<sup>nd</sup>, 4<sup>th</sup>, 5<sup>th</sup> DISTRICT) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve four (4) ordinance amendments to change the franchise expiration dates to January 2, 2008 in the unincorporated areas of Rowland Heights, South areas (Baldwin Hills, East Compton, Harbor, Ladera Heights, Lakewood, Lennox and South Central Los Angeles), Lake Hughes and Palos Verdes; and reflect changes in the names of the franchisees in the Rowland Heights and South areas pursuant to transfers previously approved by your Board.
2. Introduce, waive reading and place on your Board's Agenda for adoption the attached ordinances that implement the above recommendations.
3. Find these ordinance amendments categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1, Section (e) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

### **PURPOSE / JUSTIFICATION OF RECOMMENDED ACTION**

The Digital Infrastructure and Video Competition Act of 2006 (DIVCA) became effective on January 1, 2007 as a result of the passage of California Assembly Bill 2987 in 2006. DIVCA provides for a State video franchising process administered by the California Public Utilities Commission (CPUC). Under DIVCA, incumbent cable operators will have the ability to obtain a State franchise operable after January 2, 2008.

On February 13, 2007 and February 20, 2007, your Board approved amendments extending twenty-eight (28) existing cable franchise terms to January 2, 2008 in order to coincide with the date established by DIVCA. Similarly, the amendments recommended in this Board letter will reconcile the terms of these four (4) remaining franchises to the date that a State franchise could become operable. Therefore, it is recommended that the expiration dates of these four (4) franchises are amended to provide the County with the greatest flexibility and efficiency in the administration of its rights and responsibilities under DIVCA. Time Warner Cable, CoxCom, Inc., and Capps TV Electronics Inc. have requested that the term of their County cable franchises are amended to expire on January 2, 2008.

The amendment of the name of the franchise holder for the Rowland Heights and South areas franchises is requested in conformance with the Board's action on March 7, 2006. At that meeting, your Board approved a change of control of all County cable franchises held by Adelphia and Comcast, to affiliates and/or subsidiaries of Time Warner Cable. As a result, the current holder of the Rowland Heights franchise is CAC Exchange I, LLC, a Delaware Limited Liability Company and the current holder of the South franchise is C-Native Exchange I, LLC, a Delaware Limited Liability Company.

### **Implementation of Strategic Plan Goals**

Approval of this recommendation will assist in implementing the Countywide Strategic Plan goal of fiscal responsibility. This will ensure the continuation of revenue provided to the County by the cable franchisees.

### **FISCAL IMPACT/FINANCING**

There will be no cost to the County. The County will continue to receive franchise fees of 5 percent of cable operators' gross revenues as authorized under Section 622 (b) of the Cable Act of 1984 [47 U.S.C. §542 (b)].

Should incumbent cable operators later choose to transition to a State franchise, 5 percent franchise fees on their gross revenues will continue to be paid to the County as prescribed under DIVCA, Section 5840 (q) of the California Public Utilities Code.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

DIVCA was enacted and became effective on January 1, 2007. However, various provisions of this law will become effective on subsequent dates. Pursuant to DIVCA, Section 5930 (b) of the California Public Utilities Code, the County may extend an incumbent cable operator's franchise through January 2, 2008. A State franchise issued to any incumbent cable operator shall not become operative prior to January 2, 2008. Changes in term expiration for these franchises have also been negotiated with the respective incumbent cable operators.

Term amendments are requested for the following franchises:

Rowland Heights, Ordinance No. 97-0046F, as amended, granted to CAC Exchange I, LLC, a Delaware Limited Liability Company (formerly held by Adelphia California Cablevision, LLC, a Delaware limited liability company) (1,4);

South areas (Baldwin Hills, East Compton, Harbor, Ladera Heights, Lakewood, Lennox South Central Los Angeles), Ordinance No. 97-0032F, as amended, granted to C-Native Exchange I, LLC, a Delaware Limited Liability Company (formerly held by Comcast of Los Angeles, Inc.) (1,2,4);

Palos Verdes, Ordinance No. 89-0097F, as amended, granted to CoxCom, Inc. a Delaware corporation (4);

Lake Hughes, Ordinance No. 87-0057F, as amended, granted to Capp's TV Electronics, Inc., a California corporation (5).

The Office of the County Counsel has reviewed the attached ordinances and approved them as to form.

### **ENVIRONMENTAL DOCUMENTATION**

The term extension of these cable television franchises is categorically exempt under CEQA pursuant to Class 1, Section (e) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

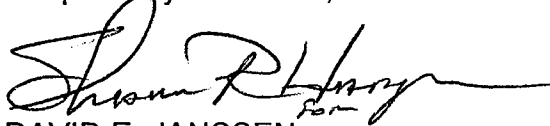
### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no impact on current services.

## **CONCLUSION**

It is requested that the Executive Officer of the Board of Supervisors notify the following parties of the Board's actions in this matter relevant to their respective franchises: Rowland Heights and South areas send to: Deane Leavenworth, Vice President, External Affairs, Time Warner Cable, 550 N. Continental Blvd. Suite 250, El Segundo, CA 90245. For Palos Verdes send to: James M. Leach, Vice President Government Affairs, Cox Communications, 29947 Avenida De Las Banderas, Rancho Santa Margarita, CA 92688. For Lake Hughes send to: Earl Capp Loughboro, President and CEO, Capp's TV Electronics, Inc., 1399 Arundell Avenue, Ventura, CA 93003.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a stylized flourish at the end.

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:SH  
FT:WG:jl

Attachments (4) Ordinances

c:     Executive Officer, Board of Supervisors  
       County Counsel  
       Auditor-Controller  
       Director of Public Works